development and rehabilitation work in Iraq. While there are indications of interest in Indian participation in Iraq's post war development, so far no contracts for reconstruction and rehabilitation work have been concretized in Iraq, after the war, both due to security and funding problems.

(b) Embassy of India, Iraq is monitoring development and extending help as and when required.

China's help to Pakistan

3090. MISS MABEL REBELLO: Will the Minister of EXTERNAL AFFAIRS be pleased to state:

(a) whether it is a fact that China continues to extend huge financial grants and technology to Pakistan;

(b) whether Government are aware that China is helping Pakistan to build a deep sea port at Gwadar which may be used by China for its Navy; and

(c) if so, Government's reaction in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF EXTERNAL AFFAIRS (SHRI DIGVIJAY SINGH): (a) Government is aware that Pakistan has been receiving financial and technolgical assistance from China in various fields.

(b) China is helping Pakistan in the construction of Phase-I of the Gwadar deep sea port.

(c) Government remains vigilant and takes all appropriate measures to safeguard the sovereignty, territorial integrity and security of India.

Intrusion by Chinese army

3091. SHRI NANA DESHMUKH:
SHRI K.B. KRISHNA MURTHY:
Will the Minister of EXTERNAL AFFAIRS be pleased to state:

(a) whether Chinese army have intruded in Indian territory of Arunachal Pradesh especially when a high level Indian delegation was recently on visit to China;

(b) if so, the details thereof; and

(c) what steps are being taken by Government to stop Chinese high handedness?

THE MINISTER OF STATE IN THE MINISTRY OF EXTERNAL AFFAIRS (SHRI DIGVIJAY SINGH): (a) Yes

(b) and (c) A Chinese patrol transgressed the Line of Actual Control (LAC) in the Asaphila area of the Upper Subansiri District of Arunachal Pradesh on 26 June, 2003. This is an area where there are differences in the perception of the LAC between the two sides.

The Agreement of the 1996 between India and China on Confidence Building Measures in the Military Field along the LAC in the India-China Border Areas contains a specific provision for handling of situations involving face-to-face contact between the personnel of the two sides. In the case in question, these provisions do not appear to have been adhered to by the Chinese side. This matter has been taken up through diplomatic channels with the Chinese side.

From time to time, on account of differences in the perception of the LAC, situations have arisen on the ground that could have avoided if there was a common perception of the LAC. The process of clarification of the LAC is underway. Government regularly takes up violations of the LAC with the Chinese sides through established mechanisms.

Government remains vigilant and takes all appropriate measures to safeguard the sovereignty, territorial integrity and security of India.

Bush praises Musharraf

3092. PROF. SAIF-UD-DIN SOZ: Will the Minister of EXTERNAL AFFAIRS be pleased to state:

(a) whether U.S. President George Bush praised Parvez Musharraf during the latters's visit to the United States on his performance in respect of containing terrorism in the Indian Sub-continent; and

(b) if so, Government's reaction to the said assessment of the situation by the United States?

THE MINISTER OF STATE IN THE MINISTRY OF EXTERNAL AFFAIRS (SHRI DIGVIJAY SINGH): (a) President Bush expressed